United Nations ST/AI/2000/18

Secretariat

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# Administrative instruction

## Life insurance*

The Under-Secretary-General for Management, pursuant to section 4.2 of Secretary-General's bulletin ST/SGB/1997/1 and for the purpose of defining the conditions governing the provision of life insurance coverage under staff regulation 6.2, promulgates the following:

**Section 1**
**General**

1.1 A group life insurance plan ("plan") is offered as a part of the scheme of social security for the staff which the Secretary-General is required to establish under staff regulation 6.2. The underwriter of the plan is the Aetna Life Insurance Company of Hartford, Connecticut, United States of America ("insurance company"). The policyholder is the United Nations.

1.2 The plan is financed solely from the contributions of participating staff members. No subsidy is paid by the Organization.

1.3 Participation in the plan is voluntary for all staff. A staff member may withdraw from the plan at any time. The plan provides term insurance coverage only, and has no cash value at the time of withdrawal.

**Section 2**
**Eligibility and enrolment in the plan**

2.1 All staff members who receive a letter of appointment for six months or more will be eligible to participate in the plan.

2.2 Enrolment in the plan is automatic for eligible staff members who apply for life insurance coverage under the plan, on the appropriate form, within 60 days of signing the qualifying letter of appointment. They will be covered from the effective date of the letter of appointment.

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2.3 Enrolment in the plan for eligible staff members who apply more than 60 days after signing the qualifying letter of appointment is conditional on the provision by the staff member at the time of application, on a special form for the purpose, of evidence of insurability satisfactory to the insurance company.

2.4 The insurance company, which reserves the right to reject any application by a staff member who applies after 60 days, may require the applicant to undergo a medical examination at the applicant's own expense. Such staff members, whose applications are accepted, will be covered from the date on which the insurance company gives its written consent.

**Section 3**
**Benefits and premiums**

3.1 The insurance coverage for eligible staff members consists of:

(a) A principal sum, payable in the event of death from any cause at any time or place; and

(b) An additional sum, payable in the event of accidental death or dismemberment, subject to certain conditions.

3.2 The benefits and principal provisions of the policy will be described more fully in an information circular.

3.3 The premiums and the benefits will be expressed in United States dollars. The premiums and benefits are receivable and payable by the insurance company in that currency.

3.4 The premiums for the plan shall be paid in full by the staff member participating in the plan. The premiums shall be paid by monthly payroll deduction.

3.5 The premium rate is determined by the insurance company, in consultation with the Organization. The premiums for different levels of life insurance coverage will be announced periodically in an information circular.

**Section 4**
**Level of coverage and premiums**

*Staff under 62 years of age who enrol in the plan*

4.1 The level of coverage, and the corresponding premium, for staff members under 62 years of age who enrol in the plan is based on the staff member's pensionable remuneration, subject to a maximum.

4.2 The maximum coverage is reduced for all such participants who continue in service after the month in which they reach age 62.

*Staff enrolling at 62 years of age or older*

4.3 The level of coverage, and the corresponding premium, for staff members enrolling at 62 years of age or older is limited to a fixed sum.

*Staff paid in currencies other than United States dollars*

4.4 The level of coverage, and the corresponding premium, for staff members at duty stations away from Headquarters who are paid in currencies other than United States dollars is based on their pensionable remuneration in the local currency, converted to United States dollars using the United Nations official rate of exchange.

4.5 The premiums payable by such staff members are remitted to the insurance company in United States dollars.

4.6 Benefits payable by the insurance company will be the equivalent in United States dollars, converted at the United Nations official rate of exchange at the time of payment, of the entitlement of the participant in local currency.

**Section 5**
**Adjustment of coverage level**

5.1 The level of coverage and the corresponding premium for each participating staff member may be automatically adjusted periodically to take into account changes in the pensionable remuneration of the staff member, unless:

(a) The pensionable remuneration of the staff member already entitles him or her to the maximum coverage available; or

(b) The staff member has executed a waiver of automatic increase prior to the date on which the present instruction enters into force.

5.2 A participant not wishing to have the increased life insurance coverage afforded by the requisite increase in pensionable remuneration must cancel his or her coverage under the plan. The option to waive the coverage increase and freeze the life insurance at the prior level shall no longer be available.

**Section 6**
**Reapplication after cancellation of coverage**

6.1 A staff member who has cancelled coverage may reapply at a later date for coverage based on his or her pensionable remuneration at that time. Enrolment in the plan at that level is conditional on the provision by the staff member at the time of application, on a special form for the purpose, of evidence of insurability satisfactory to the insurance company.

6.2 The insurance company, which reserves the right to reject any such application, may require the applicant to undergo a medical examination at the applicant's own expense. Staff members whose applications are accepted shall be covered, at the level warranted by their pensionable remuneration, from the date on which the insurance company gives its written consent.

**Section 7**
**Designation of beneficiaries**

7.1 Since life insurance benefits are payable to the participant's beneficiary or beneficiaries, it is most important for each participant in the plan to designate the person or persons to whom the participant wishes the benefit to be paid. Special forms are available for the designation of beneficiaries.

7.2 Only the most recent, properly executed form for the designation of beneficiaries is recognized by the insurance company for the payment of benefits. It is the responsibility of the staff member or former staff member to make sure that the proper person or persons are designated, particularly after death, divorce or other change in the relationship between the person or persons previously designated and the staff member or former staff member.

7.3 Changes in the designation of beneficiaries may be made at any time.

**Section 8**
**Special leave**

Staff members who are granted special leave on partial pay or without pay may continue to participate in the plan by paying the premium in advance.

**Section 9**
**Free life insurance coverage after separation from service**

9.1 Participants in the plan who at the time of separation from service have participated in the plan for at least 10 years continue to receive life insurance coverage under certain conditions, which are set out below, without further payment of premiums. The additional coverage for accidental death or dismemberment, however, ceases after separation from service.

*Staff under 55 years of age who separate from service*

9.2 Participants who separate from service prior to the age of 55 receive one year's free life insurance coverage, at the level of their coverage on the date of separation, for each completed 10-year period of contributory participation.

9.3 At the end of this period of free coverage, the life insurance coverage ceases unless the participant:

(a) Again becomes a staff member and renews his or her participation in the plan, if eligible; or

(b) Makes arrangements with the insurance company to continue coverage under the conversion privilege (see sect. 10 below).

*Staff who separate from service at 55 years of age or older*

9.4 Participants who separate from service at the age of 55 or older receive free life insurance coverage equal to a percentage of their coverage on the date of separation. The percentage is reduced as the participant grows older, subject to a minimum and a maximum.

*Staff whose appointments are terminated for reasons of health*

9.5 Participants in the plan whose appointments are terminated for reasons of health in accordance with staff regulation 9.1 (a), but before attaining the age of 62 years, continue to receive life insurance coverage equal to their coverage on the date of separation, without further payment of premiums. The additional coverage for accidental death or dismemberment, however, ceases at that time.

*Free life insurance coverage for those who have signed a waiver*

9.6 In the case of a participant, who, having signed a waiver of automatic increase in coverage prior to the date on which the present instruction enters into force, was not insured for the full amount to which he or she was entitled, the free life insurance coverage will be based on the level of coverage on the date of separation from service.

**Section 10**
**Conversion privilege**

10.1 All staff members who, at the time of their separation from service, are participating in the plan may make arrangements through the Organization to convert to an individual policy under conditions established by the insurance company, without having to produce further evidence of insurability.

10.2 The participant is then solely responsible for paying and remitting the premiums to the insurance company.

**Section 11**
**Final provisions**

11.1 The present instruction shall enter into force on 1 January 2001.

11.2 Administrative instruction ST/AI/1998/10 of 12 November 1998, entitled "Life insurance", is hereby abolished.

(*Signed*) Joseph E. **Connor**
Under-Secretary-General for Management